

ROUTING

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NATIONAL INTELLIGENCE DAILY CABLE

Tuesday June 14, 1977 CG NIDC 77-137C

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**NATIONAL SECURITY INFORMATION**

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National Intelligence Daily Cable for Tuesday June 14, 1977.

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The NID Cable is for the purpose of informing senior US officials.

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#### TURKEY: New Government Problems

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[ ] Turkish political leaders are still trying to come to grips with the implications of last week's inconclusive parliamentary election. The new parliament was sworn in yesterday, but as yet there are no clear indications of how a new government may be formed.

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[ ] Bulent Ecevit, whose Republican Peoples Party won an impressive plurality in the election, will probably be named prime minister-designate in the next few days. Before then, Ecevit, wishing to avoid the frequent impasses that hobbled his coalition with the National Salvation Party in 1974, will continue informal efforts to assemble the additional 13 votes he needs for a working majority. According to the US embassy, he will attempt to gain the support of those individual deputies who he believes are most likely to put national interests above party considerations.

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[ ] Press reports last week asserted that a faction within the Salvation Party was threatening to break away from its obstreperous leader, Necmettin Erbakan, to cooperate with Ecevit. The alleged leader of the splinter group, however, denied the reports, and there is yet no evidence of a stampede to Ecevit.

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[ ] If he fails to form a majority government, Ecevit seems determined to seek support for a Republican Peoples Party minority government. Agreement for this would have to come from either Erbakan or Justice Party leader Suleyman Demirel. Demirel is outspokenly against this idea, however, and Erbakan would probably prefer to participate in the government.

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[ ] A coalition with Erbakan is last on Ecevit's list of options, and Ecevit purports not to be sure if he could manage such a coalition. Erbakan has already indicated that he would exact a high price for cooperating with Ecevit.

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[ ] In a press conference last week Erbakan asserted that he is in no hurry to see a government formed and will wait for Ecevit or Demirel to "come begging to him." His party's election losses and whatever reality lies behind the press reports of intraparty dissension may temper Erbakan's negotiating posture, but as long as he can hold 24 deputies in some sort of order, he will be in a formidable negotiating position.

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[ ] This fact doubtless bears on Demirel's own lack of confidence about his chances of putting together a government if Ecevit fails. Although Demirel is maintaining a resolute public mien, he remains aware that the next government is likely to have the same coalition problems that plagued both his and Ecevit's last governments. [ ]

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### USSR: Deep Sea Mineral Research

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 The Soviets are engaged in a broad scale oceanographic survey effort involving at least six research ships and several institutes to locate and analyze undersea mineral deposits, especially manganese nodules. The USSR is developing the mining machinery and techniques needed to exploit such deposits in coastal areas. Unlike the US, the USSR is not dependent on imports of the principal minerals found in manganese nodules, and its efforts probably are intended to protect Soviet interests if Law of the Sea negotiations end without a treaty and multinational consortia begin deep sea mining unilaterally.

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[ ] The first reported Soviet recovery of manganese nodules occurred in 1957 in the Pacific Ocean. Subsequent Soviet surveys in the Indian, Pacific, and Atlantic oceans, as well as in some Soviet coastal waters, have resulted in increasing information on the locations, composition, and origins of the nodules.

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[ ] Although the Soviets have a large program to exploit a variety of marine mineral deposits in coastal waters, unilaterally and in cooperation with East European countries, they have not disclosed any plans for large-scale mining in the deep ocean. Recently, however, they awarded a patent for a sub-sea mining vehicle that can maneuver over an uneven sea floor while excavating and pumping minerals to a ship.

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[ ] The vehicle may be intended for work in ocean depths of 5,000 to 6,000 meters where the richest nodule concentrations have been found, but if built, it would probably be used initially in shallow waters. The Soviets have located nodules in waters as shallow as about 115 meters; mining in such locations might serve as a test for future deep sea operations.

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#### WEST GERMANY: Coalition Problems

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[ ] *Unrest within the West German governing parties has grown as Chancellor Schmidt's center-left coalition struggles to enact its social legislation program before parliament recesses within the next few weeks. Officials of the coalition are working feverishly to come up with compromises acceptable both to the coalition partners and to the opposition Christian Democrats who control the upper house of parliament.*

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[ ] The controversy centers on four pieces of legislation that call for:

--Increasing the value-added tax from 11 to 12 percent to permit selective reductions in business taxes and increases in family allowances.

--Reorganizing the deficit-ridden national pension program.

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--Revamping the national health insurance program.

--Eliminating the verification test for conscientious objectors.

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[ ] The tax reform plan, which comes before the Bundestag, the lower house, for final vote on Thursday, poses the most immediate problem.

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[ ] The clearest sign of trouble came last week when some left-wing Social Democrats in the Bundestag said they had strong reservations about the tax bill because it includes provisions to reduce business taxes. These deputies see this as a sell-out to the Christian Democrats. The ruling parties have in fact made significant concessions to get the bill through the upper house. Social Democratic leaders now assert that they have persuaded the maverick deputies to support the government's bill; their votes are needed because the coalition has only a slim majority in the Bundestag.

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[ ] A defeat on this issue would deepen the concern in government ranks. Otto Graf Lambsdorff, the Free Democrats' spokesman on economic issues, has already publicly declared that if the tax reform bill fails to pass because of differences among Social Democrats, the coalition might not survive.

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[ ] Even if the Social Democrats succeed in restoring unity to their ranks in time for the Bundestag vote, Chancellor Schmidt would face a battle in the upper house. The delegation representing the state of Lower Saxony, which is governed by a Christian Democratic-Free Democratic coalition, plans to vote against the tax reform bill unless the federal government agrees to compensate state and local governments for losses resulting from the tax package. Without the Lower Saxon votes, the tax bill is likely to be defeated.

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[ ] The Free Democrats from Lower Saxony have so far sided with the Christian Democrats, but in a showdown they would be reluctant to vote against the tax reform bill. Such a vote would be a challenge to their party's national leaders and would threaten the Free Democrats' alliance in Bonn with Schmidt's Social Democrats.

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[ ] The outlook for passage of the other three pieces of legislation is better than for the tax reform program, but they also face hurdles. Government officials hope to get these bills out of the interparliamentary mediation committees shortly so that final votes can be taken before parliament recesses. The government wishes to avoid further problems over these issues, which could hurt the coalition parties in the five state elections scheduled for next year. Pessimistic coalition leaders believe, however, that they may have to request a special parliamentary session this summer to finish legislative business.

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#### JAPAN-UK: Ocean Wave Power Generators

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[ ] *// The UK and Japan are in the forefront of a group of countries exploring the possibility of using ocean wave energy as a economical alternative energy source. Despite the many complex problems yet to be solved, the British and Japanese believe the large potential amply justifies their research and development efforts.//*

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[ ] *//Studies indicate that half of the UK's present energy needs could be met by wave power generators along 1,100 kilometers of coastline. Japan would need a line of generators only 500 kilometers long to double its present electric power output.//*

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[ ] *//As part of Japan's alternative energy source development effort, several industrial and government groups have begun programs to develop ocean wave power generators. Such generators can produce electricity for an almost unlimited time, pose few environmental dangers, and may decrease beach erosion by acting as breakwaters. The development of commercial ocean wave power generators could provide an important new source of domestic energy for villages and remote island areas.//*

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[ ] *//Japan has used small ocean wave power generators for more than 10 years to provide 50 to 100 watts of electricity for navigational buoys. These generators use the wave motion to pump air through an air turbine-generator. A 2-megawatt prototype generator of this kind will probably be operational by 1980.//*

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[ ] //The Japanese are also attempting to develop a generator that uses wave motion to drive a counter-rotating propeller. A 5-kilowatt prototype generator is scheduled to be operational by the end of 1977 and a 20-kilowatt unit in 1978. Plans call for following these test units with a 500-kilowatt semi-commercial facility.//

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[ ] //At least four groups in the UK are attempting to develop wave power generating systems, and the British government is studying several different systems to determine whether to begin a major development program. None of the programs is likely to develop a prototype generator before 1985.//

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[ ] //Until recently, research on using wave power has lagged behind investigations into other alternative energy sources, such as solar and wind, because of the seemingly great problems involved in generating energy on a large scale from wave power. The technology needed to build large power generating devices is now available, but problems associated with variations in wave direction and period, seaworthiness of the structures, economic feasibility, and operational efficiencies need to be solved before ocean wave power could contribute significantly to world energy needs.//

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[ ] //If such problems could be overcome, many coastal countries would probably install generating facilities. As leaders in the development of this new energy source, the UK and Japan would be in a position to sell equipment and technical assistance worldwide. Japan would be in an especially favorable position since it would have extensive experience in operating prototype generators. [ ]

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#### TAIWAN: Science Industry Park

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[ ] Taiwan is planning to establish an international "science-industry park" within the next three years. The high-technology industrial park, designed to attract 20 to 30 foreign enterprises, will be in keeping with the government's policy of shifting development from labor-intensive industry to technology- and capital-intensive industry.

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[ ] Priority areas for initial development include mini-computer and microprocessor systems, precision instruments and machinery, and computer-aided design services. Transfer of know-how to local industry, development of linkages between foreign firms and local research and development organizations, and use of local manpower are major objectives of the project.

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[ ] Taiwan already has a fairly well-developed industrial base. Its economy has grown steadily in the past 15 years, driven mainly by the rapid rise in exports of manufactured goods. Taiwan's experience in the manufacture of consumer electronics items and electronic components provides a solid base for assimilating the electronics and computer technologies being sought.

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[ ] Technology areas that are new to Taiwan, such as computer-aided design services, may be more difficult targets for expansion. The Taiwanese probably included this growing area in their priorities in order to increase their capabilities.

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[ ] Industrialization has created a sizable supply of skilled and semi-skilled workers and a good technological base. These assets, combined with the industrial park's ground rules requiring foreign firms to interact with Taiwanese research and industrial units, will increase the likelihood of technology transfers that will aid in the further development of Taiwan's industry. [ ]

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